



## THE STATE OF NEVADA

### PERMIT TO APPROPRIATE WATER

Name of applicant: QUEENSTAKES RESOURCES USA, INC.  
Source: UNDERGROUND  
Basin: NORTH FORK AREA  
Manner of Use: ENVIRONMENTAL  
Period of Use: January 1st to December 31st  
Priority Date: 01/22/2008

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### APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This Environmental Permit is issued subject to existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance for pollution control as mandated by orders issued by the Nevada Division of Environmental Protection and subsequent correspondence with said agency. The right will cease to exist upon termination of clean up activity as determined by the Nevada Division of Environmental Protection. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and records of this measurement shall be submitted on an annual basis. It is also understood that this right must allow for a reasonable lowering of the static water level of permittee's well due to other ground water development in the area. The well shall be equipped with a 2-inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of water granted herein at any and all times.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

This Environmental Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permit 39881, Certificate 11893; Permits 42687, 47148, Certificate 13139; Permits 47414, 48175, Certificate 13143; Permit 54617, Certificate 14301; Permits 58336, 58426E, 58427E, 58428E, 58429E, 58430E, 58431E, 58432E, 58433E, 58744E, 61722, Certificate 15094; Permits 61740E, 61780E, 61781E, 61946, 62308, 62374, 65323, 65324, 75513, 75514, 76655E, 76656E, 76657E, 76658E and 76659E shall not exceed 5847.33 acre-feet annually.

The issuance of this Environmental Permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The right will cease to exist upon termination of the clean up activity as determined by the Nevada Division of Environmental Protection.

The point of diversion and place of use are as described on the submitted application to support this permit.

(Continued on Page 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.03 cubic feet per second or 21.72 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

June 18, 2010

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

N/A

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 18<sup>th</sup> day of June, A.D. 2008

Tracy Taylor, P.E.  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed \_\_\_\_\_

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_

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ORIGINAL  
ENVIRONMENTAL  
ENVIRONMENTAL

Application No. **766551**

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC  
WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JAN 22 2008

Returned to applicant for correction JAN 30 2008

Corrected application filed FEB 01 2008 Map filed FEB 01 2008

The applicant Queenstake Resources USA, Inc.

HC31, Box 78 of Elko  
Street Address or P.O. Box City or Town

Nevada 89801 hereby make(s) application for permission to appropriate  
State and Zip Code

the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

Delaware, January 2003.

1. The source of water is underground (multiple locations - DPS-7A, DPS-23, DPS-24)  
Name of stream, lake, underground, spring or other sources.
2. The amount of water applied for is 0.03 second feet.  
One second foot equals 448.83 gallons per minute.
  - (a) If stored in reservoir give number of acre-feet \_\_\_\_\_
3. The water to be used for environmental, as described in N.R.S. 533.437  
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated \_\_\_\_\_
  - (b) Stockwater, state number and kind of animals \_\_\_\_\_
  - (c) Other use (describe fully in No. 12) \_\_\_\_\_
  - (d) Power:
    - (1) Horsepower developed \_\_\_\_\_
    - (2) Point of return of water to stream \_\_\_\_\_

REL  
per AOI  
1-30-08

44-EL

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)  
within Lot 23 (SW¼NE¼), Sec. 4, T.40N., R.54E., M.D.M. from which the SW corner of Sec. 33, T.41N., R.54E. bears: N.68°07'W., 3.564 feet distant (DPS-7A); N.67°06'W., 3.395 feet distant (DPS-23); N.63°02'W., 3.240 feet distant (DPS-24).

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)  
N½ Section 4, T.40N., R.54E., all of Section 33 and W½ Section 34, T.41N., R.54E., all M.D.M.

7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)  
sm. diameter drilled well, schedule 40 PVC casing, w/perforations at intervals determined upon analysis - generally less than 240 ft. depth; piping submersible pump totalizing meter, collection pipe network.

9. Estimated cost of works: (each) estimate: \$15,000.00

10. Estimated time required to construct works: wells constructed or to be constructed under direction of NDEP.  
(If well completed, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 10 years, or such duration as deemed to be required to accomplish the environmental protection.

12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):  
(Failure to provide a detailed description may cause a delay in processing.)

These wells are installed for the purpose of ground water remediation, at the direction of the Nevada Division of Environmental Protection, under an order subject of Permit #NEV00020, issued 3/5/91, and are for the prevention of release into natural aquifers of any mill water contaminant. All water obtained under this and companion permits is returned to the mill circuit for re-cycling purposes, lessening the demand of make-up water from the primary supply sources for this milling operation. Estimated annual quantity return pumped into mill tailings pond: 800,000,000 gallons.

13. Miscellaneous remarks:  
Please send copies of notices and correspondence to the undersigned agent.

wnisbet@chilton-inc.com  
E-mail Address

(775) 738-2121  
Phone No.

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

William A. Nisbet, Agent

Type or print name clearly

By

William A. Nisbet

Signature, applicant or agent

Chilton Engineering & Surveying, Ltd.

Company Name

421 Court Street

Street Address or P.O. Box

Elko, NV 89801

City, State, Zip Code

ISO

\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION